EXHIBIT NO. 4

DATE 2-8-07

BILL NO. 58402

## Senate Bill 402 February 8, 2007 Presented by Jim Kropp Senate Fish and Game Committee

Mr. Chairman and committee members, for the record I am Jim Kropp, Chief of Law Enforcement for the Department of Fish, Wildlife & Parks (FWP), and I am here today to provide informational testimony on this bill.

The 1999 Legislation that authorized the construction of the Ft. Peck Hatchery also established a warm water stamp and set forth certain limitations on the species of fish that could be raised at the hatchery. Current law restricts the state funding for operations and maintenance of the Ft. Peck Hatchery to warm water stamp funds. Sales of the warm water stamp amount to about \$250,000/year. The cost to operate the hatchery at full capacity is estimated to be about \$500,000/year. FWP and others have been seeking federal funding to help with operations and maintenance but have been unsuccessful to date. FWP has made a decision to operate the hatchery at less than full capacity for the next four years. This will allow us to produce walleye and Chinook salmon and would not require any additional funding through the end of fiscal year 2011.

SB 402 attempts to solve the funding issue, but does not quite get there. The bill includes a \$2 increase in the Class A resident and Class B non-resident season license. FWP sells less than 25,000 of the Class B non-resident license annually. In order to raise adequate funds, the bill needs to include the Class B-4 (two-day) and Class B-5 (ten-day) non-resident licenses. If a \$2 increase was added to these licenses, the amount raised would be adequate to cover the operations and maintenance at Ft Peck. There would be a \$2 increase in fees for some resident anglers, but for the resident anglers that currently purchase a warm water stamp, it would actually be a \$3 fee decrease.

In order to allow the hatchery to operate like all other FWP hatcheries, Section 3 (3) would need to be repealed to remove restrictions on the species of fish that can be raised at the hatchery. This will ensure that the hatchery is operated to the maximum efficiency and benefit of all anglers fishing in Montana. The primary emphasis will remain with rearing walleye, but several other species could also be raised outside of the timeframes required for walleye.